

STATE • INDIANA



INDIANA UTILITY REGULATORY COMMISSION
302 W. WASHINGTON STREET, SUITE E-306
INDIANAPOLIS, INDIANA 46204-2764

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IN THE MATTER OF THE PETITION BY)
ACADIA BAY ENERGY CO., LLC, AND)
ALLEGHENY ENERGY SUPPLY COMPANY,)
LLC FOR (A) A DETERMINATION OF THE)
COMMISSION'S JURISDICTION WITH)
RESPECT TO A 630 MW POWER)
GENERATING FACILITY; (B) FOR)
DECLINATION OF THE COMMISSION'S)
JURISDICTION OVER THE)
CONSTRUCTION OWNERSHIP,)
OPERATION AND FINANCING OF THE)
FACILITY PURSUANT TO IND. CODE)
8-1-2.5; AND (C) TO THE EXTENT THE)
THE COMMISSION DOES NOT DECLINE)
ITS JURISDICTION, SUCH APPROVALS)
AND AUTHORIZATIONS AS ARE)
NECESSARY TO CONSTRUCT, OWN,)
OPERATE AND FINANCE THE FACILITY,)
INCLUDING ISSUANCE OF A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY UNDER IND. CODE 8-1-8.5.)

FILED

DEC 13 2004

INDIANA UTILITY
REGULATORY COMMISSION

CAUSE NO. 41966

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

On November 4, 2004, Acadia Bay Energy Co., LLC ("Acadia Bay") submitted a *Status Report* regarding its decision to indefinitely suspend construction of the project ("Project") approved in this Cause in a Final Order issued on January 30, 2002 ("Final Order"). Acadia Bay goes on to indicate that in order to reduce and offset the costs of ongoing site maintenance and equipment storage, an asset recovery firm has been hired to market and sell equipment and material that remains from the initial construction period. Marketing and sales efforts should continue until all salvageable material has been removed from the site. Acadia Bay also indicates that it will continue explore possible divestiture of the Project and has contacted potential purchasers about the property. According to Acadia Bay, improvements made to the site would be useful to energy and non-energy related uses.

Based on our review of the *Status Report*, the Presiding Officers hereby find that Acadia Bay should submit a *Follow-up Report* that details the current condition of the project site with particular respect to the continued need for Acadia Bay to satisfy Financial Assurance requirements set forth in the Final Order. As part of the *Follow-up Report*, Acadia Bay should include an affidavit in which it fully describes the current condition of the project site; improvements made to the site; and the need for the removal of any remaining materials from the site. In addition, as Acadia Bay has no plans to undertake the Project approved in this Cause, it should also indicate when it believes the Commission should proceed to revoke the Final Order issued in this matter--which would also serve to release the Company from ongoing financial assurance requirements at the site.

The *Follow-up Report* should be submitted to the Commission on or before January 14, 2005.

IT IS SO ORDERED.



David E. Ziegner, Commissioner



Scott R. Storms, Chief Administrative Law Judge

Date: 12-13-04